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January 20, 2015

Via ECF and Electronic Mail

The Honorable Andrew L. Carter
U.S. District Court Judge
U.S. District Court
for the Southern District of New York
40 Foley Square, Room 435
New York, NY 10007

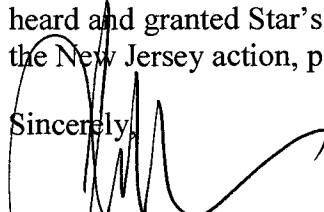
Re: Philadelphia Indemnity Insurance Co. v. SC Academy Holdings, Inc., et al., 1:14-cv-07025-ALC

Dear Judge Carter:

The undersigned represents Defendants The Culinary Academy of Long Island, Inc., The Culinary Academy of New York, Inc., SC Academy Holdings, Inc., and SC Academy, Inc. (collectively, "Star") in the above-captioned insurance coverage case. We are constrained to correct several patent mischaracterizations in Philadelphia Indemnity Insurance Company's ("PIIC") letter dated January 16, 2015 addressed to this Court.

The parties do not have a "standstill agreement in place," in either this action or the New Jersey Superior Court action. Indeed, PIIC's use of the term "de facto" to describe that "agreement" itself betrays PIIC's baseless contention. First, Plaintiffs' time to answer PIIC's federal complaint is automatically stayed pending this Court's ruling on Star's Motion to Dismiss. Second, on October 24, 2014, the Honorable Richard Millenky denied PIIC's motion to stay the New Jersey state court action, thus denying PIIC's efforts to forestall a dispositive ruling and avoid answering Star's First Amended Complaint. The New Jersey action has been proceeding on schedule. Judge Millenky ordered that PIIC answer Star's First Amended Complaint by November 14, 2014, and PIIC has since complied with that Order. Judge Millenky also set a briefing schedule and hearing date for Star's Motion for Partial Summary Judgment, and granted PIIC's motion on December 19, 2014.¹ PIIC's suggestion that Star's Motion for Summary Judgment was a "legacy" motion finds no basis in civil procedure. The Court heard and granted Star's Motion for Partial Summary Judgment because it denied PIIC's Motion to Stay the New Jersey action, plain and simple.

Sincerely,



John W. Schryber

¹ The initial November hearing date for Star's Motion for Summary Judgment was "adjourned" to December only because PIIC untimely filed its unsuccessful Motion to Stay the New Jersey action, and the deadlines and hearing date had to be reset.